



State of Washington
PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 • (360) 753-1111 • FAX (360) 753-1112
Toll Free 1-877-601-2828 • E-mail: pdcc@pdcc.wa.gov • Website: www.pdcca.wa.gov

9:30 a.m.
June 23, 2011

MINUTES – REGULAR MEETING

Evergreen Plaza Bldg. Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Dave Seabrook, Chair
Barry Sehlin, Vice Chair
Jennifer Joly, Secretary
Jim Clements, Member

STAFF PRESENT

Doug Ellis, Interim Executive Director
Nancy Krier, General Counsel
Michael Smith, Chief Technology Officer
Phil Stutzman, Director of Compliance
Tony Perkins, Lead Political Finance Specialist
Kristin Murphy, Political Finance Specialist 2
Lori Anderson, Communication & Training Officer
Suemary Trobaugh, Administrative Officer
Linda Dalton, Sr. Asst. Attorney General
Jana Greer, Confidential Secretary

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Dave Seabrook at 9:30 a.m. in the Evergreen Plaza Building, Room 206 Olympia, Washington.

Citizen Comments/Concerns

No citizen comments or concerns were expressed.

Commissioner Comments

Chair Seabrook welcomed the PDC summer interns.

Lori Anderson introduced the summer interns, Shaul Goldberg and Marissa Jaksich. She noted that the internships are unpaid and that the agency is grateful to have these individuals onboard to assist with current projects.

Commissioner Sehlin referenced a June 10, 2011 Yakima Herald-Republican online news article (Slice of Yakima: Street in Selah to Bear Former Lawmaker's Name.) The Selah City Council is preparing to name a street after Jim Clements, a former state legislator.

The Commissioners congratulated Commissioner Clements on a recognition well deserved.

Minutes

Jana Greer noted a change to the draft minutes submitted by Linda Dalton, found on page four of the March 26, 2011 meeting minutes, noting that the reference to Mr. Hill's name needs to be changed to Mr. Gutzwiler's.

The correction was made and the draft minutes were amended.

Motion 11-042

Moved by Commissioner Sehlin, seconded by Commissioner Joly:

The Commission adopts the minutes of March 26, 2011 as amended.

The motion passed unanimously.

Projected Rulemaking Schedule

Lori Anderson discussed a projected rule making schedule. Permanent rule making is needed to implement ESSB 5021 in January 2012. Draft language for possible amendments to WAC 390-16-011, 390-17-315, 390-19-030, and 390-37-103 will be presented to the Commission at a future meeting.

Ms. Anderson noted that a stakeholder meeting is scheduled for July 13, 2011 to discuss the implementation of ESSB 5021; additional rule making recommendations may result from this meeting.

She also reviewed the expedited rule making to amend the 150 PDC rules that contain references to Chapter 42.17 RCW, to change the references to 42.17A RCW. The process was confirmed with the Code Reviser's Office.

Staff recommended the Commission approve expedited rule making to amend all references to RCW 42.17 contained in Title 390 WAC to RCW 42.17A, effective January 1, 2012.

Motion 11-043

Moved by Commissioner Sehlin, seconded by Commissioner Joly:

The Commission moves to proceed with expedited rule making to convert all references to RCW 42.17 contained in Title 390 WAC to RCW 42.17A.

The motion passed unanimously.

Budget Update

Doug Ellis discussed the 2011-2013 biennial budget. The Governor signed the budget bill on June 13, 2011, which becomes effective July 1st. He reviewed the agency's appropriations for the commission noting the additional funding to implement ESSB 5021.

The appropriation is below what was considered the maintenance level of 2011-2013 for this agency.

He reviewed the staff reductions and the anticipated workload for the staff that remains. The agency is working with minimum staff. He explained that cuts of this magnitude will impact what the staff is able to accomplish.

Mr. Ellis continued his discussion with the breakdown of the 2012 and 2013 budgets, also reviewing the reductions were taken in fiscal year 2011.

He stated he is now in the process of determining what level of service the agency can offer, and providing timely information and customer service will always be the priority.

He noted that as we move into the new biennia there may be some additional adjustments needed.

Executive Director Search

Dennis Karras provided an update of the Executive Director recruitment.

Mr. Karras reviewed the number of applications received to date. Targeted recruitment has begun to approach individuals that have not yet applied.

Marissa Karras described a typical interview (screening) panel and asked for Commission input, Commissioner Sehlin and Commissioner Joly will participate on the screening panel. Karras Consulting will review the process prior to the screening panel interviews.

The Commission commenced discussion to determine what type of panel would be used.

Nancy Krier reviewed the proposed timeline for next steps in the search.

Karras Consulting will continue to provide a weekly update throughout the recruitment process.

Doug Ellis discussed budget considerations the Commission should be aware of as the Executive Director search process proceeds. He referred to SB 5860 regarding temporary salary reductions and how this bill will affect the Executive Director's salary.

E- Filing

Suemary Troubaugh presented an overview of the e-filing rate and the customer volumes the agency is experiencing.

Social Media Update

Lori Anderson provided an update on the agency Facebook page which was launched in February 2011.

Ms. Anderson provided the usage reports and the growth of the PDC agency page.

She stated that the agency would like to continue to use the Facebook page and also consider branching into other social media options.

Nancy Krier discussed other types of social media the agency would like to consider using such as YouTube.

Staff recommended posting the instructional training videos on YouTube for a trial period.

Ms. Krier will also explore the use of Twitter and suggests that agency hold on using this social media outlet at this time. She will report back to the Commission with research.

The Commission approved the continued use of Facebook for another six months and to move forward in posting training videos on YouTube for a trial period of 6 months.

Executive Session/Working Lunch

The Commission went into executive session at 11:57 a.m. to discuss pending and potential litigation with legal counsel.

The Commission returned to public session at 1:00 p.m.

Enforcement

- *House Republican Organizational Committee*, PDC Case No. 11-025, alleged violations of RCW 42.17.080 and .090e.

Phil Stutzman reviewed the allegations and proposed Stipulation as to Facts and Violations for Commission consideration.

Kevin Carnes, political director for the House Republican Organizational Committee was present at the hearing.

The House Republican Organization Committee stipulated to committing violations of RCW 42.17.080 and, 090, by failing to timely report making a \$120,000 contribution to the non exempt account of the Washington State Republican Party on October 10, 2010.

Mr. Carnes stated that a system has been put into place to prevent this from occurring in the future.

Staff recommended that the Commission accept the proposed stipulation and determine an appropriate penalty for a single violation of RCW 42.17.080 and, 090.

Motion 11-044

Moved by Commissioner Sehlin seconded by Commissioner Joly:

The Commission accepts the proposed Stipulation.

The motion passed unanimously.

Motion 11-045

Moved by Commissioner Sehlin seconded by Commissioner Clements:

The Commission assesses a penalty of \$1700 with \$500 suspended under the conditions specified in the Stipulation.

The motion passed unanimously.

- *Aaron Reardon*, PDC Case No. 11-041, alleged violations of RCW 42.17.241.

Phil Stutzman reviewed the allegations and proposed Stipulation as to Facts and Violations for Commission consideration.

Aaron Reardon, Snohomish County Executive, was present at the hearing.

A citizen action letter (45-day letter) was submitted to the Attorney General's office alleging that Mr. Reardon violated RCW 42.17.241 by failing to disclose entertainment and travel expenses that were paid for by a source other than Snohomish County on his personal financial affairs statement (F1) from 2005 through 2009.

Mr. Stutzman stated that the proposed Stipulation refers to those expenses not disclosed by Mr. Reardon for entertainment and travel in 2009.

Staff recommended that the Commission accept the proposed Stipulation and assess an appropriate penalty.

Regarding the remaining allegations in the citizen action letter staff recommended that the Commission dismiss the remaining alleged violations of RCW 42.17.241, RCW 42.17.242, and recommended that the Attorney General take no further action.

Motion 11-046

Moved by Commissioner Sehlin seconded by Commissioner Joly:

The Commission accepts the proposed Stipulation.

The motion passed unanimously.

Motion 11-047

Moved by Commissioner Sehlin seconded by Commissioner Joly:

The Commission supports the staff recommendation to dismiss the remaining allegations in the citizens action letter concerning the years for 2005, 2006, 2007, 2008, and concerning alleged concealment.

The motion passed unanimously.

Motion 11-048

Moved by Commissioner Sehlin seconded by Commissioner Joly:

The Commission assesses a penalty of \$1000 with \$500 suspended based upon no further violations within four years.

The motion was withdrawn.

Motion 11-049

Moved by Commissioner Sehlin seconded by Commissioner Joly.

The Commission assesses a penalty of \$750 with \$500 suspended.

The motion passed unanimously.

- *One America Votes*, PDC Case No. 11-035, alleged violations of: (1) RCW 42.17.040; (2) RCW 42.17.080 and .090; and (3) RCW 42.17.105(1).

Phil Stutzman reviewed the allegations and proposed Stipulation as to Facts and Violations for Commission consideration.

Pramilia Jayapal, Executive Director of One America Votes and James Oswald, legal counsel were present at the hearing.

Mr. Stutzman stated that One America Votes stipulated to violating RCW 42.17.040; RCW 42.17.080 and .090, and RCW 42.17.105(1). Mr. Stutzman reviewed the mitigating factors. He noted that once the complaint was filed, One America Votes complied and Mr. Oswald assisted in making the corrections.

Staff recommended the Commission accept the Stipulation and assess an appropriate penalty. Mr. Oswald addressed the Commission.

Ms. Jayapal also provided testimony to the Commission concerning the organization.

Motion 11-050

Moved by Commissioner Joly seconded by Commissioner Sehlin:

The Commission accepts the proposed Stipulation.

The motion passed unanimously.

Motion 11-051

Moved by Commissioner Joly seconded by Commissioner Sehlin:

The Commission assesses a penalty of \$3000 with \$1500 suspended under the conditions specified in the Stipulation.

The motion passed unanimously.

Reporting Modifications Renewals
(with change)

- *Palmer Robinson, Superior Court Judge, King County*

Kristin Murphy presented Judge Robinson's request for renewal of her reporting modification with change.

Judge Robinson participated via conference call.

Judge Robinson's spouse, Steven Hopp, is the CFO, Senior Vice President, and a 10% owner of K&H Printers. K&H provides printing, binding, and election services for business and government customers.

Judge Robinson stated she does not hold a position with, or have access to the customer lists of K&H.

Judge Robinson has reported all of the governmental entities and business customers of K&H which she is aware.

Judge Robinson stated she will recuse herself in the event a case involves K&H, its customers or any of their business interests that she is aware of.

Staff recommends approving the request for a reporting modification with change in accordance with PDC Interpretation #02-06.

Motion 11-052

Moved by Commissioner Clements seconded by Commissioner Sehlin:

The Commission grants the partial reporting modification as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Reporting Modifications Renewals
(with no change)

- *William H. Chapman, Commission Member, Recreation & Conservation Funding Board*
- *Elizabeth Cowles, Regent, Washington State University*
- *Brenda Grassel, City Council, Spokane Valley*
- *David B. Johnston, School Board Member, Snohomish School District*
- *Elizabeth P. Martin, Superior Court Judge, Pierce County*

Kristin Murphy presented requests for reporting modification renewals with no change from Mr.

Chapman, Ms. Cowles, Ms. Grassel, Mr. Johnston, and Ms. Martin.

Staff recommended approval of the requests for renewal of these reporting modifications.

Motion 11-053

Moved by Commissioner Sehlin seconded by Commissioner Clements:

The Commission grants the partial reporting modifications as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicants and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Staff Reports

Interim Executive Director

Doug Ellis reported on the 2011 candidate registrations. He discussed the new electronic applications and described that it is making it more efficient to getting the information into the PDC systems and to the public.

Mr. Ellis recognized the great work the AGO has performed in getting recovery from cases and the recovery of legal fees. He also discussed savings received by using the agency's separation policy. These savings were used to help offset furlough days imposed by the Governor and to help the agency prepare for the more frugal budget necessary in the next biennia.

Chief Information Officer

Michael Smith stated that he has no additional information to supplement his monthly report.

General Counsel

Nancy Krier stated that she has no additional information to supplement her report.

Elections

Commissioner Clements nominated the following offices for the 2011-2012 term:

Chair: Commissioner Barry Sehlin
Vice Chair: Commissioner Jennifer Joly

Motion 11-054

Moved by Commissioner Clements, seconded by Commissioner Seabrook:

The Commission voted to approve the 2011-2012 officers as nominated.

The motion passed unanimously.

Adjournment

Chair Seabrook adjourned the meeting at 2:56 p.m.

Approved by the Commission on July 28, 2011.